CDBG SOP

Project Selection (*See Proposal SOP*)-projects to be funded have to go through the proposal process.

Agency Eligibility (*See Debarment SOP*)-Agencies that participate in a HUD funded project have to be in good standing with HUD.

CDBG Project Objectives-Primary and National objectives are determined.
- The project should provide at least one of the following primary objectives: **(1)** decent housing, **(2)** a suitable living environment, and/or **(3)** expand economic opportunities.
- The project should also address at least one of the following National objectives: **(1)** Area Benefit-benefits residence of a specified area. **(2)** Limited Clientele-51% of the involved people must be at or below 80% AMI. **(3)** Housing-improving structures that will house persons at or below 80% AMI. **(4)** Job Creation/Retention- creating or retaining jobs for persons at or below 80% AMI.

Project Review
- Once a project has been determined to have the objectives required by HUD then the project is viewed in terms of how feasible it is to implement within the designated time frame by the proposed agency.
- Projects that are more feasible to accomplish are most likely to receive funding.

Financial Management
- 24 CFR Part 84.21-28 as amended by 570.502, for non-profit agencies, 24 CFR Part 85.20 for governmental sub-recipients, and 24 CFR 92.508 state the financial management and reporting systems for CDBG grant recipients. The CD Staff will make sure the requirements have been established that sub-recipients have a financial management system that: **(1)** Provides accountability for all funds, property, and other assets. **(2)** Ensures reasonableness, allowance, allocation of costs, and verification that expenses have not violated federal restrictions. **(3)** Permit the accurate, complete, and timely disclosure of financial results in accordance with reporting requirements of the grantee (City of Evansville) or HUD.

Invoice Process (See Financial Management/Bid Procurement SOP)

Project Implementation
- The CD Inspector will perform progress inspections prior to construction to photo where construction will commence, during construction, and after all construction is completed.
- Throughout construction the contractor(s) will submit invoices to the subrecipient/agency for work completed, and the subrecipient/agency will submit those invoice(s) to their CD Specialist to be processed for a draw.

- CD Specialist will also monitor an agency's building progress to make sure development and financing go as planned.

Client/Program Records Overview

CD Staff will maintain verifiable records on sub-recipient services. Copies will be available in DMD office on the follows:
- Documentation of CDBG client eligibility determination (i.e. Family Income Verification Form).
- Client/staff signatures on eligibility documents.
- Client's previous program year(s) family income recertified.
- Evidence that the best efforts were utilized by the sub-recipient to obtain income documentation verification.
- Documentation of participation by eligible clients (i.e., attendance sheet, sign-in log).

Reports for CDBG project

- All sub-recipients must submit monthly program and cost reports to their CD Specialist.
- In limited circumstances, sub-recipients may negotiate a different reporting schedule with their CD Specialist (quarterly reporting at a minimum).
- Claims will only be reimbursed upon receipt of financial and program reports.
- Incomplete or late reports will cause delays in reimbursement.
- Failure to comply with reporting requirements is a violation of the Grant Agreement and could result in contract termination.

Review/Site Visits

- During each program year, CD Specialist will conduct a monitoring of each program to ensure compliance with local and federal requirements.
- Sub-recipients will be informed by their CD Specialist of their review date and time.
- Sub-recipients with compliance violations, poor documentation and/or poor program performance will receive a follow up letter outlining recommended corrective actions and a timeline for implementing changes.
- If corrective actions are not addressed within the prescribed period Grant agreements may be terminated.

CDBG Project Completion

- All projects require being closed in IDIS by the designated CD Specialist upon completion to show all funds were drawn.
- All correlating information must be provided from the sub-recipient to the designated CD Specialist in order to close the project in IDIS.

CDBG SOP Outline

1) **Project Selection**- projects to be funded has to go through the proposal process. (See Proposal SOP)

2) **Agency Eligibility**-an agency is checked for debarment (See Debarment SOP)

3) **CDBG project objectives**-primary and national objectives are determined.

4) **Program Review**-how program is to be implemented

5) **Financial Management**-eligible uses for the CDBG funds

6) **Invoice Process**-See Bid Procurement

7) **Client/Program Records Overview**-how files are to be maintained

8) **Reports for CDBG project**- regular program progress reports

9) **Review/Site Visits**-how files are review by the CD staff

10) **CDBG Project Completion**-Closing a project in IDIS